

# **POSSIBLE STRATEGIES FOR EXPANDING ACCESS TO HEALTH INSURANCE**

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# **Vision Statement**

To create a plan to provide all uninsured individuals with access to health insurance coverage.

# Current And Proposed Illinois Programs

%  
FPL

300 +											
250									Medicare		
200		HB 23 Family Care Bill									
185		KidCare								ICHIP	
150											
125	Medicaid Programs										
100											
57	Preg. Moms	0-5	6-14	15-18	Parents / Care-Takers	19-29	30-54	55-64	AABD (Aged, Blind, Disabled)	65 & Greater	ICHIP



**Medicaid Programs**



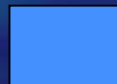
**Medicare**



**HB 23 Family Care Bill**

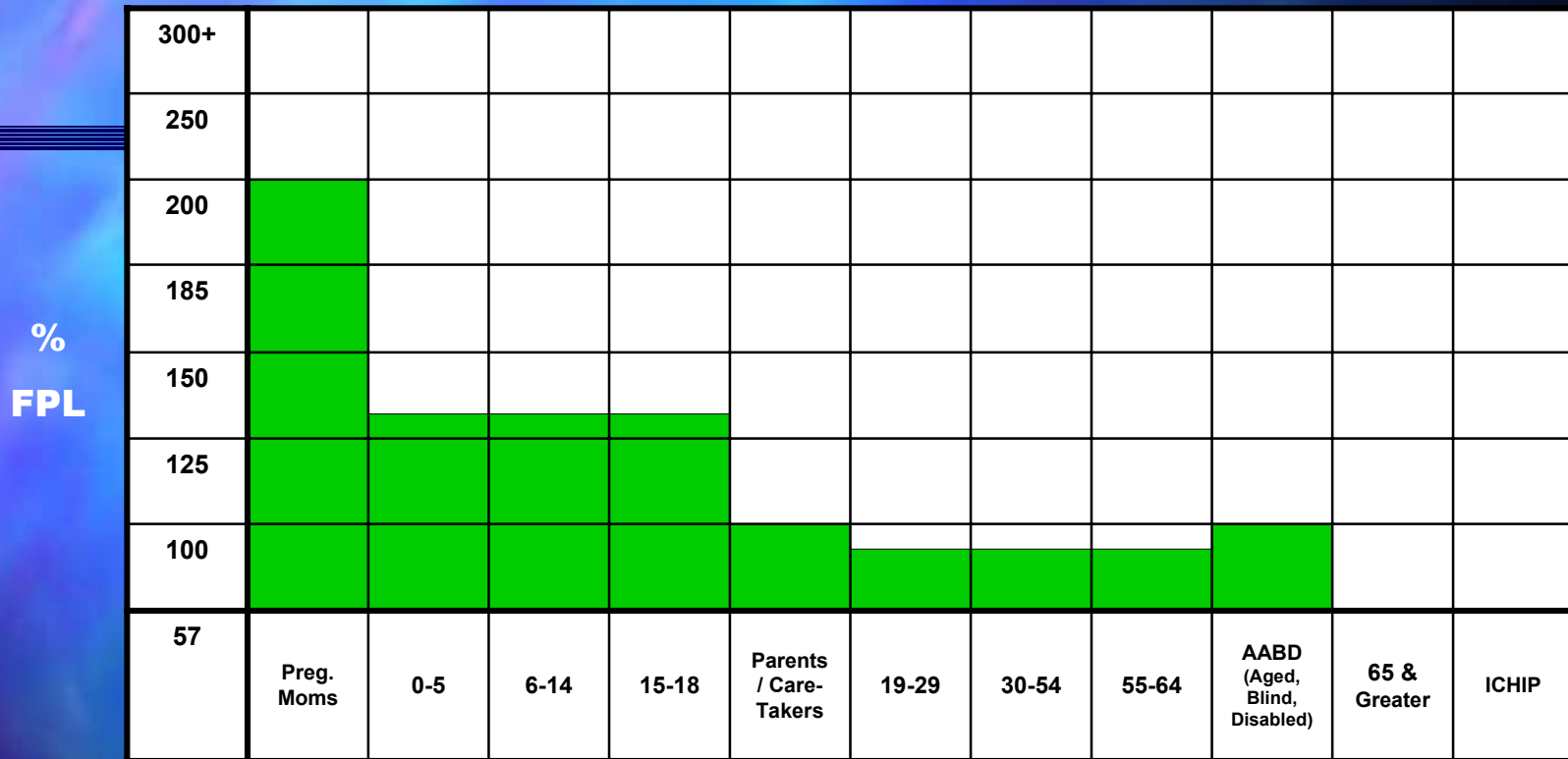


**KidCare**



**ICHIP**

# MEDICAID PROGRAMS



Enrolled: 1.4M

Cost: \$7.4B

# KIDCARE

%  
FPL

300+											
250											
200											
185											
150											
125											
100											
57	Preg. Moms	0-5	6-14	15-18	Parents / Care- Takers	19-29	30-54	55-64	AABD (Aged, Blind, Disabled)	65 & Greater	ICHIP

Enrolled: 160,000

Cost: \$178M (FY 2002)

# ICHIP

%  
FPL

300+											
250											
200											
185											
150											
125											
100											
57	Preg. Moms	0-5	6-14	15-18	Parents / Care- Takers	19-29	30-54	55-64	AABD (Aged, Blind, Disabled)	65 & Greater	ICHIP

Total Enrollment: 11,091 (2001)

Cost: \$27.3M\* (FY 2001)

\$33M\* (FY 2002)

\* General Revenue Fund Appropriation



# HB 23 FAMILY CARE BILL

%	FPL	300+										
		250										
		200										
		185										
		150										
		125										
		100										
		57	Preg. Moms	0-5	6-14	15-18	Parents / Care-Takers	19-29	30-54	55-64	AABD (Aged, Blind, Disabled)	65 & Greater

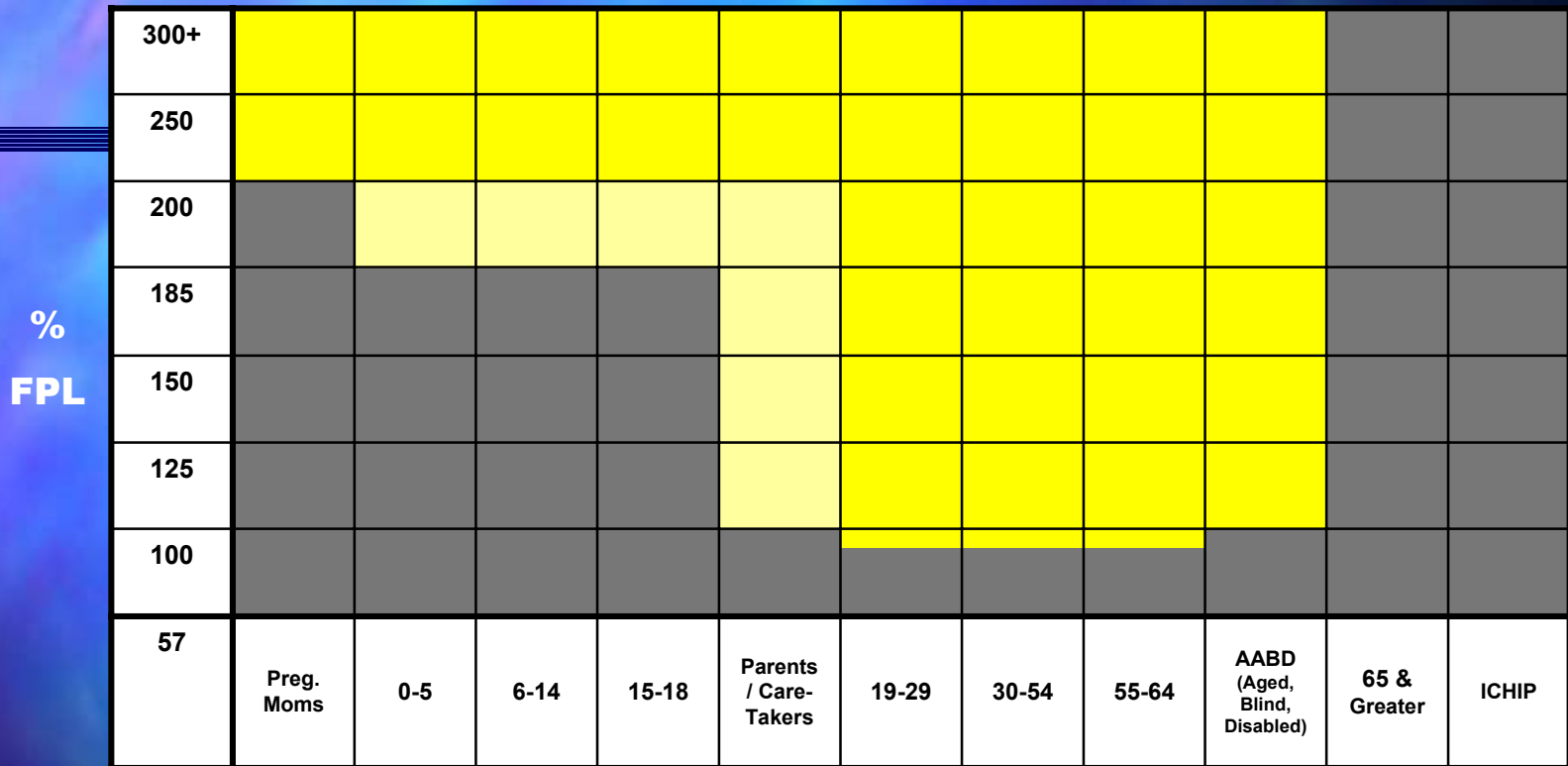
Eligible: Adults - 200,000

Children - 12,000

Cost: \$396M

(w/Title XXI Federal Match - State Share: \$139M)

# THE UNINSURED IN ILLINOIS



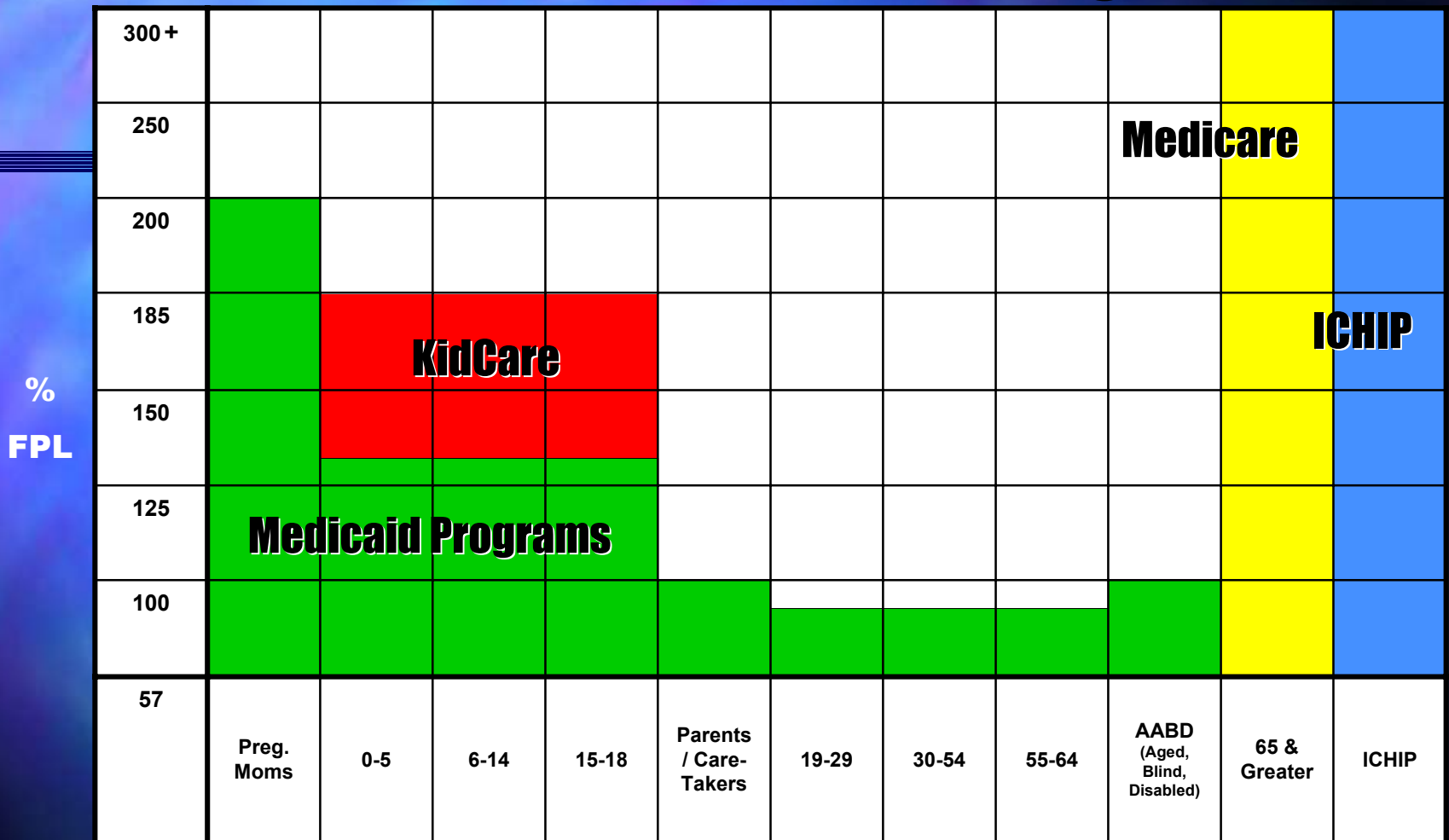
**Uninsured**
 **Insured**
 **HB 23 Family Care Bill**

Adults: 750,000 Below 250% FPL

Children: 280,000 Below 250% FPL



# Current Illinois Programs



# STRATEGIES

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- I. Tax incentive: a credit or deduction decreasing cost by reducing employees or employers tax burden
  - a. Tax Deduction: reduces gross income
  - b. Tax Credit: deduction from income tax liability
    - i. Non-refundable credit
    - ii. Refundable credit

## II. State Initiatives to improve access to the working uninsured

STATE	PROGRAM	TARGET POPULATION	FINANCING
Arizona (Reinsurance)	Reinsures health plans against high losses	Small firms/ workers/ dependents self-employed	State funding toward reinsurance employer/ employee pay full premium
Arizona Premium Sharing	Subsidized HMO coverage to uninsured who contribute 4% income (family) or 2.5% income (individual)	Low income uninsured ineligible for Medicaid	State tobacco tax employee contributions: 4% income (family), 2.5% income (single)

STATE	PROGRAM	TARGET POPULATION	FINANCING
Massachusetts Insurance Partnership	Subsidize employer share work-based coverage \$400 - individual; \$800 - couple or adult + 1 child; \$1000 - family --- per year per employee with income up to 200% FPL	Small firms, low income employees & self-employed	Medicaid 1115 Waiver, S-CHIP, state funds
Massachusetts Premium Assistance Program	Sliding scale subsidy of employee share of work-based coverage. Contributions from employees based on income levels and family size.	Low-income workers in small businesses & low-income workers with children	Medicaid 1115 Waiver, S-CHIP, state funds



STATE	PROGRAM	TARGET POPULATION	FINANCING
Muskegon, MI Access Health Buy-In	Health coverage product for working uninsured in small/medium size businesses (to 150 employees)	Full- or part- time working uninsured individuals in Muskegon County	3-way shared buy-in. Employer (30%), employee (30%), and community match (40%) comprised of federal DSH funds, local government, community and foundation funds

STATE	PROGRAM	TARGET POPULATION	FINANCING
New York Healthy New York	HMO's required to offer scaled down health plan (exempt from certain state mandates) and provides stop-loss protection to health plans for claims between \$30-\$100 thousand	Small firms not providing insurance & low/moderate income workers with no access to insurance	State funding



STATE	PROGRAM	TARGET POPULATION	FINANCING
Oregon Family Health Insurance Assistance Program (FHIAP)	Sliding scale subsidy toward purchase of private coverage through FHIAP. If employer offers and contributes toward coverage the subsidy applies to employees share of premium for employer plan.	Uninsured low-income workers and families	State tobacco tax

STATE	PROGRAM	TARGET POPULATION	FINANCING
Washington Basic Health Plan	Sliding scale subsidy toward purchase of coverage from among 9 participating private health plans. Available to individual and through employer, provider, other group sponsors.	Low-income working families	State taxes on hospitals, alcohol, tobacco products

### III. Small employer purchasing pools: Any group legally organized to form, operate, and regulate the sale of health insurance products for employers

Illinois: Consumer Choice Health Purchasing Group (greater Chicago area) joined with two providers to form IMA Health Options. They offer a choice of POS or HMO plans with 70% of primary care providers participating. Benefits to employer: single billing statement; one set of forms and rules; no decisions to make regarding one plan. For employees benefits are more favorable rates and better plan design.

California Pacific Health Plan: Six regions cover the state. Small firms (2-50 employees) and employers have choice of 17 HMO's, 2 POS, 7 dental and 2 vision with high and low options.



#### IV. Subsidize private coverage program for low-income families for ESI or individual coverage

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Medicaid HIPP (Health Insurance Premium Payment): broad Medicaid HIPP application, not narrow (e.g., people with AIDS).

Six states currently have implemented employer buy-in programs under HIPP.

Oregon FHIAP, another example of employer buy-in where subsidy is paid for by a state tobacco tax.

Muskegon, MI

v. Expand eligibility for Illinois  
Comprehensive Health Insurance Plan  
[high risk pool] (ICHIP)

- State high-risk pool

## VI. Develop state buy-in programs through Medicaid, KidCare, etc.

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- Buy-in programs introduction
- Healthy New York
- Muskegon, MI
- COBRA
- Medicaid HIPP
- SCHIP employer buy-in
- SCHIP full cost buy-in
- Employer buy-ins: Massachusetts, Wisconsin, Mississippi, Oregon



## VII. Expand coverage through Medicaid and KidCare

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- SCHIP program
- SCHIP Section 1115 Waiver
- Medicaid Section 1115 Waiver
- Medicaid Section 1931
- Medicaid TMA

VIII. Develop state-designed and state funded (no federal financial support) direct, major medical insurance coverage, or premium assistance for private insurance coverage (such as Washington State Basic Health Plan – BHP)

- State coverage program
- Washington State Basic Health Plan



**The information is now before you and your charge is most important.**

**Good luck**